

Item No.	Date Received	Topic and/or RFP Section Reference	Question	Answer
75.	06 November 2008	Submittal requirements	<p>According to the Submittal requirements three distinct Financial Proposals are to be submitted, See Item 1. But according to Item 2 we need to demonstrate “Economies of scale”, how and where is this accomplished without one over all Pro Forma?</p> <p>Item 1) 4.5.2.3 Submittal Requirements Exhibit 6: Volume Submittals-For All Offerors Note: 2. Offeror shall submit three distinct financial proposals for each Phrase of the Project under Volume I including separates submissions for Part A &amp; Part B.</p> <p>Item 2) 5.1.1.1.3 Economies of Scale Offeror shall demonstrate the potential savings, if any, that may result from constructing and operating multiple phases(e.g. reduced construction management fees and overhead on each phase, reduced financing fees, lower materials costs due to bulk purchasing, etc.).</p>	<i>The Government anticipates that Economies of scale can be achieved as a result of the Lessor delivering multiple phases of the project, which will result in an overall reduction of items such as unit costs for construction materials, soft costs, and financing costs. These costs will be captured in the Bid Template, and subsequently in the Pro Forma expense line items by phase. The Government anticipates that Offerors will describe these “economies of scale” in the Financial Plan Narrative.</i>
76.	06 November 2008	Section 3.3.5.1.2, 3.4.1.6, 5.2.1.3.2 and 5.2.2.2.5	According to the RFP, it seems that offerors need to submit an Energy Plan. Do we need to supply on Energy Plan?	<i>Yes, an Energy Plan is a required element of the proposed O&amp;M Plan.</i>
77.	06 November 2008	Section 3.3.5.1.2 Energy Efficiency.	<p>Does the Energy Plan need to be signed off by a certificated Energy Manager (see below)?</p> <p>RFP states: “Design, materials, equipment and construction methods shall reduce energy and water consumption to the extent possible in accordance with current Energy Star criteria. Offerors will provide a comprehensive Energy Plan, which will include, but not be limited to, an estimated annual energy consumption for each unit type/size for occupied and vacant units and common areas (see Section 3.4.1.6).”</p>	<i>Energy Plans do not require certification at the time of proposal submission.</i>

78.	06 November 2008	Pro Forma	<p>There is discordance between the amended RFP and the Pro Forma Model.</p> <table border="1"> <tr> <th></th><th>Amended RFP</th><th colspan="3">Pro Forma Model</th></tr> <tr> <th></th><th></th><th>Summary sheet</th><th>Accounts sheet</th><th>Cashflow sheet</th></tr> <tr> <td>Project Equity Amount</td><td>2% of total project costs</td><td>2% of total project costs</td><td>2% of total <u>development costs</u></td><td>2% of total <u>development costs</u></td></tr> </table>		Amended RFP	Pro Forma Model					Summary sheet	Accounts sheet	Cashflow sheet	Project Equity Amount	2% of total project costs	2% of total project costs	2% of total <u>development costs</u>	2% of total <u>development costs</u>	<i>The required project equity investment by each Lessee is defined as 2% of the total project costs. The pro forma will be amended to correct the discrepancy between the pro forma and the RFP (Amendment 003).</i>
	Amended RFP	Pro Forma Model																	
		Summary sheet	Accounts sheet	Cashflow sheet															
Project Equity Amount	2% of total project costs	2% of total project costs	2% of total <u>development costs</u>	2% of total <u>development costs</u>															
79.	06 November 2008	Pro Forma	<p>According to the “Summary” sheet of the Pro Forma Model, the amount of loan needed during the construction period is calculated as below.  <b>Loan amount = Total Construction Costs + Financing Costs – Construction Specific Equity amount</b></p> <p>I believe that all accrued costs during construction period should be included in the required loan amount. However, among the costs during construction period, “Construction Period Interest” is excluded in the formula. I think the interest should be included.</p>	<i>The pro forma has been revised to ensure that construction period interest is incorporated into the construction loan amount. The amended pro forma will be re-issued as “version 3” with Amendment 003.</i>															
80.	06 November 2008	Taxes	Our tax advisors advised that the rental income of the project company may be subject to corporate income tax. However, I could not find any clauses on corporate income tax issue in the RFP. Could corporate tax be considered as an operating expense?	<i>No, corporate income tax will not be considered an operating expense.</i>															
81.	07 November 2008	Security Requirements	Please confirm that the AT/FP requirements are governed by the following standard: UFC 4-010-01, dated 22 January 2007.	<i>Yes, use the most current standard as required in Appendix I of the RFP.</i>															
82.	07 November 2008	Structural Requirements	Please confirm that the Progressive Collapse requirements are governed by the following standard: UFC 4-023-03, dated 25 January 2005.	<i>Yes as addressed in UFC 4-010-01.</i>															
83.	07 November 2008	Termination conditions	We understand that the project is being developed on SOFA granted land. If, during the term of the lease between the Offeror (Lessor) and the U.S. Government (Lessee), the U.S. Government no longer has the right to continue to use the land (i.e. due to the termination of the Mutual Defense Treaty or a joint determination by the U.S. and ROK under SOFA or otherwise), please confirm that the Lease would terminate. Would this termination be subject to a termination payment (i.e. as a termination for convenience)?	<i>Yes, in the event of termination by the Government, the Lease will be subject to a pre-negotiated Termination fee, as stated in the RFP in section 3.2.5 and Lease Agreement Condition 22.7. Per RFP Section 5.1.1.2.2, Offeror shall provide its terms for a Termination Provision in its proposal to the Government.</i>															
84.	10 November 2008	Exhibit 6 on page 28	Volume II Part C requires case studies, however pursuant to section 5.2.3 Part C – Factor 4: Qualifications does not require case studies. Which is	<i>As stated in Section 6.8 of the RFP, Factor 4 addresses the Offeror’s Financial and</i>															

			correct?	<i>Organizational Qualifications, and does not require case studies, though the Offeror may reference past projects in describing its capabilities. In accordance with the RFP section 6.9 of the RFP, Case Studies supporting the Offeror's Development &amp; Construction experience and Operations &amp; Maintenance experience are required for Factor 5: Past Performance.</i>
85.	10 November 2008	Section 2.3.2	The RFP states: "The Successful Offeror will be responsible for all taxes applicable to their operation of housing at USAG-H that are required by applicable U.S. and ROK laws." Is there any US tax law applicable to this project? If so, what?	<i>While the U.S. Government is not aware of any applicable US tax law, Offerors shall conduct their own due diligence regarding taxation.</i>
86	10 November 2008	Section 3.2.1.2	The RFP states: "Service Rent will fund the monthly operating expenses based on a U.S. Government-approved annual budget, to be re-evaluated after two years based on actual expenses." Does it mean the US Government will consider adjustments? What criteria will be used to adjust the amount?	<i>This means that the U.S. Government will consider adjustments to Lessor's operating expense budget based upon a review after the first 24 months of operations. The Offeror's incentive based management fees should incentivize the Lessor to manage the O&amp;M budget closely to its projections in order to minimize the need for adjustments; however, potential adjustment would be based upon criteria such as: (1) changes in the price of contracted services (2) changes in the scope of services (3) changes in the level of effort, based upon occupancy levels</i>
87.	10 November 2008	Section 3.2.2.2	The RFP states: "The Lessor's equity shall be a direct cash contribution at the time of Project closing for each phase." What is the exact meaning of "Closing Time"?	<i>Closing time refers to the closing on construction financing; therefore, the Lessor's contribution of 2% project equity is required at the time of closing on construction financing (by phase).</i>
88.	10 November 2008	Section 3.3.7.2	The RFP states: "The U.S. Government requires that all 1,152 units of housing be delivered for occupancy within a 44-month period. Each Phase must be constructed within 20 months from groundbreaking to occupancy. Offerors shall adhere to an approved project schedule for each phase." The 20 months construction period is too short for Standard FED project.	<i>The U.S. Government provided 20 month delivery schedule for each phase is the required timeline for the Project.</i>

			Is it possible for an offeror to extend the construction period?	
89.	10 November 2008	Section 3.3.7.2	<p>The RFP states: "The U.S. Government requires that all 1,152 units of housing be delivered for occupancy within a 44-month period. Each Phase must be constructed within 21 months from groundbreaking to occupancy."</p> <p>Do offerors need to submit only the construction schedule for phase 1 or separate construction schedules for each phase? Give the page limit. Can we add schedule attachment, exhibits, and etc to Volume II?</p>	<p><i>As stated in Section 3.3.7.2 of the RFP, the required construction period is 20 months from groundbreaking to occupancy. Offerors shall address all three phases of the Project in their schedules, and shall include a minimum of 150 activities, as described in Section 5.2.1.4.2 of the RFP. The schedule will not count against page limits.</i></p>
90.	10 November 2008	Section 3.3.7.2	<p>Does This construction period include time for the U.S. Government to install furnishings and appliances? Offerors have barely enough time to complete the construction. After selecting a successful Offeror, Can a successful offeror start administrative work (e.g. submittal register) prior to groundbreaking?</p>	<p><i>The construction period of 20 months per phase does include the U.S. Government's installation of furnishings and appliances; it is anticipated that these activities take place on a floor-by-floor basis in conjunction with the Lessor's interior build-out work. The Government is open to working with the Lessor to streamline its activities with substantial completion in order to work within a shorter time period.</i></p>
91.	06 November 2008	Section 3.3.7.8	<p>Would you tell us when a Letter of Credit should be submitted? "Prior to the commencement of any phase of construction" seems to be vague. Does it mean separate LOC for each phase has to be submitted and occur at different time?</p>	<p><i>The terms of the Letter of Credit (LOC) must be provided with each Offeror's proposal. Executed LOCs will be submitted to the U.S. Government at the time of closing on construction financing for each phase.</i></p>
91.	06 November 2008	Section 3.3.7.8	<p>The RFP states: "Prior to the commencement of any phase of construction, the Lessor shall submit to the U.S. Government and receive approval of a Letter of Credit. The Letter of Credit, at a minimum, must: (i) be issued by a financial institution acceptable to the U.S. Government"</p> <p>What financial institutions are acceptable to the U.S. Government?</p>	<p><i>The U.S. Government will determine whether or not a proposed financial institution is acceptable for issuance of the Lessor's LOC on a case by case basis. An institution will be determined "Acceptable" so long as it is credit-worthy, and presents no risk to the Government in its ability to execute on its commitments according to the terms of the LOC.</i></p>
92.	06 November 2008	Section 3.4.1.1.10	<p>The RFP states: "Lessor shall provide on-site lockout and lost key services for residents."</p> <p>Does it mean lessor keeps a spare key?</p>	<p><i>This means that the Lessor is required to provide all residents with the ability to gain entry to their units; this may be by means of spare keys per unit, or other entry system.</i></p>
93.	06 November	Section	The RFP states: "Lessor shall provide on-site property management	<i>The role of "Project Manager" must be</i>

	2008	3.4.1.1.2	staffed by nationally certified or accredited management staff, in addition to a certified property manager who is fluent in both English and Korean.” Can required personnel be (e.g. janitor) experienced workers but not certified? Please clarify if the nationally certified or accredited management staff must be certified in the U.S. or Korea.	<i>filled by a U.S. or Korean-certified property management professional. Other property management positions, such as janitor, do not require certification or English and Korean language proficiency.</i>
94.	06 November 2008	Section 3.4.1.1.3	The RFP states: “Lessor to implement a comprehensive bar-code system to electronically identify, record and verify completion of preventive maintenance work against the plan” What is a bar-code system? Is it same as the Integrated Management System used in Korea? Can we use Integrated Management System instead?	<i>A bar code system, as contemplated in the RFP, is a coded, controlled inventory tracking system that allows for equipment to be mapped and identified. Proposals of specific systems to meet this requirement shall demonstrate an ability to electronically track and locate equipment in a systematic manner.</i>
95.	06 November 2008	Section 3.4.5.1.3	The RFP states: “The report will enable Lessee to monitor usage against a “reasonable” consumption range for similar operations and size.” When you mentioned “reasonable” consumption range’, do you have a range you find reasonable?	<i>Usage will be assessed and compared with consumption by other offices at USAG-H.</i>
96.	06 November 2008	Section 4.5.7	The RFP states: “The Offeror will be required to provide information concerning both the joint venture itself, as a single business entity, and on the joint venture’s principal members. If the Offeror is a single business entity, it shall be legally established prior to submission of its proposal.” In the case of a joint venture, you said that the entity must be set-up before submittal of the proposal. However, not legally established but applied for. Can we submit the application as proof that the entity will be established?	<i>Yes, you may submit an application for establishing a joint venture entity at the time of proposal submission. Entities must be legally in place, however, by the time of lease award and execution.</i>
97.	06 November 2008	Section 5.1.1.1.1	The RFP states: “Any future changes in construction costs that would impact the cost of future phases in the offeror’s proposal must be tied to a specific documented cost inflator included in Offeror’s proposal (e.g. the Korean Producer Price Index cited by the Bank of Korea). Offerors must reflect proposed cost inflators to be used in any price adjustments for each phase of the Project;” Will there be an opportunity to adjustment the price for unknown cost factors impact the project such as tax rate changes, etc?	<i>No.</i>
98.	06 November 2008	Section 5.1.1.1.1	For cost impact adjustments based on an assumed factor such as inflation, do you want the pro forma bid sheet modified per phase per line item or one adjustment at the end of each phase?	<i>Yes, the Bid Template should reflect Offeror’s assumed costs by phase on a line item basis.</i>
99.	06 November	Section	Is "All-in cost of debt" mean simple sum up including interest rate and	<i>Yes. The ProForma Template and detailed</i>

	2008	5.1.1.1.2	extra financing cost? For instance, If interest rate is 8%, extra financing cost is 3%, then Is 'All-in Cost of debt' 11% ?	<i>Term Sheets that Offerors are to provide with proposal submissions should illustrate the “All-in Cost of Debt” by identifying the proposed interest base rate as well as the proposed credit spread (reflecting a premium and items such as insurance) over this base, which will result in an overall interest rate for project financing.</i>
100.	06 November 2008	Section 5.1.1.1.4	RFP states: “Offeror shall discuss economics of sharing arrangements between principal members or investors, including identification of sources of return to the owners and investors (during initial term and any renewal term).” What Does that mean 'economics of sharing arrangement'? And what is the difference between 'Owner' and 'Investor'?	<i>By the term “Economics of sharing”, the RFP means the proposed returns to each party involved in the overall capital structure for the Project , which may include the principal owner or other investors contributing or financing equity.</i>
101.	06 November 2008	Section 5.1.1.1.5	RFP states: “Offeror shall provide a list of major projects of similar size and scope in ROK financed over the last 10 years (projects information must be verifiable).” Does 'Similar size' mean project cost or project size?	<i>“Similar size” means similar project cost, for which the Offeror has secured financing on past projects.</i>
102.	06 November 2008	Section 5.1.1.1.7	RFP states: “The offeror shall propose the application of unused contingencies at construction completion (e.g. return to lender, split between the U.S. Government and Lessor, etc.).” What is exactly meaning of 'Unused Contingencies'?	<i>“Contingencies” are a budget line item that captures potential project cost overruns, or a reasonable margin of error in project construction budget. If the budgeted contingency projected is not required to complete the project, the result will be “unused contingencies”.</i>
103.	06 November 2008	General	Is there any standard computerized system proposed by U.S. Government?	<i>No.</i>
104.	06 November 2008	Operations	We would like to know the term of unit turnover. Who will decide this term?	<i>Turnover is not defined for this project. The Government will assign occupants to the SLQ residential units based upon demand requirements, and will likely vary over the term of the lease.</i>
105.	06 November 2008	Property Management	What are the requirements for Property Manager and Maintenance Manager? Does a Maintenance Manager have to have both 3 years of experience and a certification?	<i>Property Managers and Maintenance Managers each must possess a minimum of 3 years’ experience, in addition to a U.S. or Korean property management certification.</i>
106.	06 November 2008	Section 5.2.4.4.2	Is a service apartment/ executive suite considered relevant?	<i>Yes.</i>
107.	06 November 2008	Appendix B	The O&M plan states: “1. (7) The Lessor will perform any spot painting and/or repairs to the unit necessitated by damage or deficiency while it is	<i>If repairs are necessitated due to tenant actions, then the Lessor shall not be</i>



			occupied, taking reasonable precautions to protect Resident's personal property and Lessee furnished property. Scheduled repainting and other renovation work shall be done by Lessor while the unit is vacant during turnover of Resident." If the resident or unknown person causes damage, what is the policy of the U.S. Government?	<i>responsible. However, if deficiencies in Lessor's construction or management have resulted in damage, Lessor is responsible. Refer to condition 9: "Damages" clause in Appendix A (Lease) for more detail.</i>
108.	06 November 2008	Appendix P	Pursuant to 'Past Performance Questionnaire regarding Development & Construction', it seems that offeror need submit both Development and Construction past performance. What if a member of consortium has only development past performance?	<i>Past experience evaluation for Factor 5 will in fact be based upon a combination of the Offeror team's overall experience in both Development &amp; Construction (both) as well as Operations &amp; Maintenance (both). Offers need not demonstrate that each individual member of their team has both Development &amp; Construction and Operations &amp; Maintenance experience.</i>
109.	06 November 2008	Mech. DWG. No. M-602	The oil tank is shown on the drawing is listed as not in contact, do we remove from our scope of work?	<i>Yes.</i>
110.	06 November 2008	Appendix R: Bid Template	There is no description in 'Line Item 00005'.	<i>Columns A, G and H within the Hard Cost worksheet of the Bid Template contain bid item numbers that correspond to USACE cost categories. Line item 00005 is simply a heading for the "Supporting Facilities". For the purpose of the submission of the Bid Template, Offerors should not be concerned with these bid item codes (such as 00005), and focus solely on the cells highlighted in blue where you will enter line item costs. All of the costs input in the Hard Cost worksheet ARE captured in the Summary sheet formulas.</i>
111.	06 November 2008	Appendix R: Bid Template	Is 'Line Item 00006' for only the cost of installing transformer or the total cost of outside electric works?	<i>Line Item 00006 (PAD MTD Transformer for SLQ) is for the supporting facilities electric work, to include the transformer installation. Please add the cost of outside electric work, and any additional costs you see fit, to the line items entitled "Other" in rows 80-81.</i>
112.	06 November 2008	O&M	Does company take responsibility for maintenance of Appliances provided by U.S. Government? Does O&M company make a progress	<i>As described in the RFP, the U.S. Government will maintain all U.S.</i>

			of maintenance Appliances provided by US Government? If required, does the company have to submit any report and/or document to the U.S. Government?	<i>Government-installed appliances. The Lessor does not need to maintain records for these items but shall record any related service calls.</i>
113.	06 November 2008	O&M	Is it possible for Operation Manager to organize consortium (Property Manager& Financial Manager)?	<i>Yes, so long as the requirements of the RFP are met.</i>
114.	06 November 2008	Lease Term	Is the lease duration stated in the RFP guaranteed by U.S. Government?	<i>No, it is not guaranteed, but the Government will agree to a proposed Termination Provision in the event of early termination of the lease by the Government.</i>
115.	06 November 2008	CR&R	For how long does O&M company need to keep the capital repair and replacement reserve?	<i>For the term of the lease (and any additional renewal periods).</i>
116.	06 November 2008	O&M	Does O&M company take responsibility for maintenance of bar- coded materials?	<i>Yes. Refer to the Operations and Maintenance plan in Appendix B for definition of what the Lessor is responsible for; essentially, all materials that are not U.S. Government-furnished shall be the responsibility of the Lessor.</i>
117.	06 November 2008	O&M	What are the requirements for Property Manager and Maintenance Manager? Does a Maintenance Manager have to have both 3 years of experience and a certification?	<i>Yes. See answer to question #105</i>
118.	06 November 2008	O&M	Should the offeror provide a space/area for recycling us waste collection?	<i>Yes, recycling accommodations shall be included with the waste collection area.</i>
119.	06 November 2008	DWG. No. A-201,A-202 / S-302	Elevations show concrete ledge located only for the walls with windows, but structural drawing(S-302-1, S-302-2) shows concrete ledge for both the walls with windows and brick walls. Which drawing we should follow?	<i>The structural drawings should follow architectural (where ledge is shown).</i>
120.	06 November 2008	DWG. No. A-151	The drawings show the total number of underground parking stalls at 382, but RFP requires 384. Does offeror need to add 2 more parking stalls in the underground parking structure? Would you clarify this?	<i>The parking space count should include surface parking, which will exceed 384 total.</i>
121.	06 November 2008	Struct.. DWG. No. S-114	Structural drawing(S-114) Note 5 states the foundation & slab are on grade are not in contract, please clarify.	<i>Foundation and slab details are shown only for cost estimates, not for actual construction. Foundation and slab design shall be site specific and included in the site adapt.</i>
122.	06 November 2008	Elect Drawings	The electrical drawings show an electric lock is installed at main building entrance. Do we have to install an electric lock for every unit? If yes, does it need to be connected to home automatic control system?	<i>Yes, the system is connected between units and entrances. See drawing T-604 and the Architectural and Engineering Scope of Work in Amendment 0001.</i>



123.	10 November 2008	NIC in Drawings	While the 2-Fuel Oil Tank, convert type is specify as a NIC (Not in Contract) in the drawing No. SC101, No.1 of the General Note for fuel oil system in the drawing No. P-506 is described as "Contractor shall provide shop drawings of the fuel oil system for approval before commencing construction". Please clarify which one is correct.	<i>The fuel tank is not in contract therefore the shop drawings are not required.</i>
124.	10 November 2008	Lease Agreement, Article 22.5	Article 22.5 of the Lease Agreement is silent on the amount payable by the Lessee to the Lessor in case the Lease Agreement is terminated following the Lessor's failure to cure a Lessor default. Such termination payment amount should be specifically stipulated in the Lease Agreement. In this regard, we believe that the amount payable by the Lessee to the Lessor in case the Lease Agreement is terminated pursuant to Article 22.5 should be (a) the then fair market value of the Improvements if the Lease Agreement is terminated during the operation period or (b) the then value of construction work-in-progress if the Lease Agreement is terminated during the construction period. Please clarify in this regard.	<i>Per the RFP, Offerors shall propose what they believe to be a fair and equitable termination fee. If the U.S. Government terminated the lease and had already paid for a significant portion of the improvements via amortized base rent payments, paying a termination fee equal to the fair market value would not be fair or reasonable.</i>
125.	10 November 2008	Lease Agreement, Article 12.4	Due to certain requirements for distribution of dividends under the Korean Commercial Code (the "KCC Requirements"), it will be practically very difficult for the Lessor to distribute the equity payments deposited into the Equity Payment Escrow Account as dividends to its shareholders on a monthly basis under the current scheme. Also, even if the Lessor satisfies the KCC Requirements, the lenders are likely to object to such distribution of dividends to the shareholders, until the loan amount has been fully repaid. Further, even if the equity payments deposited into the Equity Payment Escrow Account are continuously accumulated for the entire Lease period (i.e., 15 years) for the foregoing reason, the Lessor would not be able to distribute such accumulated equity payments in lump sum upon Lease Expiration due to the KCC Requirements. In fact, the only way for the Lessor to distribute the entire equity payments in the Equity Payment Escrow Account to its shareholders upon Lease Expiration would be to liquidate the Lessor and pay such accumulated equity payments as liquidation amount to the shareholders. In view of the foregoing, if any remaining balance of funds in the accounts is distributed in accordance with Article 12.4, then the Lessor would not be able to receive the equity payments deposited into the Equity Payment Escrow Account. In this regard, Article 12.4 should not be applicable to the Equity Payment Escrow Account, do you agree?	<i>The intent of the equity escrow account is for the Lessor to deposit 2% of the total project costs into an interest bearing account held by a 3<sup>rd</sup> party for the duration of the lease (including any applicable renewals).</i>

126.	10 November 2008	Section 5.2.2.2	RFP states that the offeror must provide a “detailed” O&M plan. There are 11 plans included in the O&M plan, but we are allowed only 30 pages. This plan will be substantially longer than 30 pages. Can we attach the O&M plan to Volume II?	<i>The Government will not review more than 30 pages. Please limit your O&amp;M Plan to 30 pages for your proposal, and include in Part B of Volume II of your proposal as indicated in the table in Exhibit 6 of the RFP.</i>
127.	10 November 2008	Section 5.2.3.1.1	Section 5.2.3.1.1 states that the offeror shall provide financial statements. These are over 100 pages, can we attach to Volume II?	<i>Yes, financial statements do not count against the stated page limits for the proposal.</i>
128.	10 November 2008	Misc.	Do the offerors need to make a presentation for their proposal? If yes, where would the presentation be held (the U.S. or Korea)?	<i>No presentations are contemplated.</i>
129.	10 November 2008	Submittal Requirements	Does the proposal sent to the U.S. also need to be delivered by December 05, 2008?	<i>Proposals must be received in the ROK by 05 December 2008 and 2pm. Proposals are also requested to be delivered to the US by December 5<sup>th</sup> as well but offers will not be rejected unless they miss the delivery deadline in Korea.</i>
130.	12 November 2008	Submittal Requirements	In section 4.5.2.1 of the RFP indicates that the total page count for the Offeror's submission may not exceed 125 pages, but the chart on page 28 of the RFP (Volume I) indicates that a maximum of 10 pages per PHASE, which equals 30 pages total for Volume I, then if you add up the pages for Volume II it equals 105 pages, so the total amount of pages is 135 pages. As a result, the total page counts are conflicting.  What is the total page count? 125 pages or 135 pages?	<i>135 pages.</i>
131.	7 Nov 2008	O&M	In participation of Operation & Maintenance specialized company for the O&M entity, the O&M company that we're contacting intends to join in other offering entity as well. In this case, could an O&M company who's already in offering entity join in other offering entity for bidding?  Could you clarify that if O&M entity join in two different offering entities simultaneously, will this make offerors technically unacceptable for the project in the bidding process?	<i>No, an entity is not restricted from joining two or more offeror teams.</i>
132.	10 Nov 2008	Construction	We are eager to know whether the construction company that has not been acquired, called, 'FED License' is still qualified for joining the consortium for the 'USAG HUMPHREYS-Senior Leaders Quarters'	<i>There is no requirement for the offeror's construction company to be on the FED pre-qualified contractor list in order to be</i>

			project.	<i>considered qualified for the project.</i>
133.	10 Nov 2008	Evaluation Standard	When evaluating the technical proposal after submitting the proposal documents, the evaluation, which is involved in the subfactor 4.2 of Part C – Factor 4, will be made strictly by FED regulation? That is, we want to figure out whether the joint venture including the construction company that has not been acquired FED License is at the disadvantage in its evaluation	<i>No, a company that is not on the FED pre-qualified contractor list will not be disadvantaged in the evaluation.</i>
134.	10 Nov 2008	Past Performance	Concerned with ‘Past Performance’ mentioned in Part D – Factor 5, Domestic Performance can be applied to this category or FED-related performance only?	<i>Yes, domestic performance can be applied to this category. There is no requirement that project experience relate to FED-related projects.</i>
135.	10 Nov 2008	Rent Payments	<p>"Questions 19, 32, and 41 state that rent payments will be made in Korean won. Question 41 further states that financing can be obtained in any currency that provides the most favorable terms to the U.S. Government.</p> <p>Based on our due diligence, there does not appear to be a market for Korean won denominated debt with a tenor of 15-17 years required to finance this project. Won loans are currently of limited tenor (3-5 years, rarely as long as 10 years); almost uniformly floating rate with limited ability to swap to fixed rate beyond several years; and very scarce and costly even for major Korean banks.</p> <p>However financing of this tenor may be available using U.S. Dollar denominated debt. Dollar denominated debt would require a lease payment in U.S. Dollar, since there is no won/U.S. dollar currency exchange swap market for the project duration. Currency risk between debt in U.S. dollar and a construction contract in Korean won is manageable.</p> <p>Would the Government be willing to make Base rent payments in U.S. Dollars (Service and CR&amp;R rent payments could remain in Korean won)?"</p>	<i>The U.S. Government may be willing to pay base rent in U.S. dollars, should that assist offerors in achieving a more advantageous financing arrangement.</i>
136.	12 November 2008	Letter of Credit	Under the condition that the terms and conditions of the project related agreements will not be fixed at the timing of the proposal submission, it is rather difficult for financial institutions to get a final internal approval and submit LOC. Therefore, we suggest adding a condition of LOC being subject to final internal approval of the financial institutions. It would be very nice of you if you could give us your opinion on this matter.	<i>Offerors' inclusion of such a condition to their Letter of Credit will be considered during review and evaluation of their proposal.</i>

137.	11 November 2008	Proposal Submission	<p>As you may know, the project finance terms are going steadily downhill due to domestic and overseas financial turmoil, and there is not much possibility of offering fixed interest rate, which is very important factor for the project viability. General financial institutions are therefore reluctant to increase their investment at this time by trying to maintain a safe year-end BIS ration. As things stand, it is unlikely that offerors will either be able to meet the proposal due date or offer reasonable and acceptable project financing terms. Reportedly, the financial market is expected to get back to normal track early next year and accordingly, it is envisioned that the financial institutions will get more aggressive by that time to offer more favorable and viable finance structure.</p> <p>As a result, result, it is cordially requested that the proposal due date be postponed by early next year when the financial market will be stabilized so that we would be able to offer viable and competitive conditions.</p>	<i>We believe an adequate amount of time was given to all offerors to complete their financing arrangements. An extension will not be granted at this time.</i>
138.	11 November 2008	Term Sheets	<p>It appears unreasonable for FI to commit at the time of submission to not only Phase I scheduled to be signed next year but also Phase II &amp; Phase III as well which are scheduled to be signed in 2010 and 2011, respectively, which is unpredictable.</p> <p>As it turns out, it is requested that the Letter of Commitment with Terms Sheets for Phase II and III be submitted at the time of financing closings by phase rather than along with our proposal submission.</p>	<i>Term sheets for all three phases must be included at the time of submission.</i>
139.	13 November 2008	Access Route	Could the Offeror access to the SLQ site through land on Parcel-K, which will be complete by February 2009, during construction period?	<i>Yes.</i>
140.	13 November 2008	Utilities	Is the Offeror responsible for electrical charges during construction period?	<i>Yes, Offerors are responsible for all utility expenses during construction; these expenses should be factored into the construction budget.</i>
141.	13 November 2008	Appendix R	In connection with Appendix R (Bid Template) revised with Amendment 1, please advise the difference between "interior Construction Work" and "Interior Finish Work"?	<i>Interior Finish work relates to the construction of finishes and fit-out of individual units / apartments whereas interior Construction work would include all other interior construction work.</i>
142.	13 November 2008	Appendix R	Scope and amount of pile work was given with Appendix R (Bid Template) revised with Amendment 1. In case there may be change on pile work during construction, does the Offeror expect compensation about the overrun of expenses?	<i>The amount of pile work must be agreed to during the final budget validation process prior to commencement of construction. Any overruns that occur must be funded through contingency reserves.</i>
143.	13 November	Roadways	Is roadway A, B, C and D installation included in work scope of construction?	<i>No, Roadways will be constructed by the US</i>

	2008		tion?	<i>Government.</i>
144.	13 November 2008	Appendix C	In connection with Appendix C (Pro Forma) revised with Amendment 1, project cost compromise hard, soft and financing cost.	<i>The question is not clear. Please restate your question.</i>
145.	13 November 2008	Appendix C	Please advise what the following items mean: Permits, Tests & Inspections; Insurance Premiums (shown in Appendix C (Pro Forma) revised with Amendment 1). Does Insurance Premiums have connection with the mandatory insurance forced by Korean Government during construction?	<i>These are soft cost items. Following are brief definitions of each:</i> <ul style="list-style-type: none"> <li>▪ <i>Permits should include any expense related to obtaining construction related permits, if any.</i></li> <li>▪ <i>Test &amp; Inspections should include any expense related to conducting tests and/or inspections during construction such as may be required by a financial institution.</i></li> <li>▪ <i>Insurance Premiums should cover construction related insurance expenses payable during construction.</i></li> </ul>
146.	13 November 2008	Appendix C	Could we assume Value Added Tax would be excluded from construction contract amount same as FED MILCON project?	<i>Offerors are responsible for determining any applicable taxes. Please note Article IV of the Status of Forces Agreement stipulates that all materials, supplies and equipment imported into ROK for construction of the housing and related facilities will be free from customs duties and other such charges.</i>